

Well Name: COGC #5

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT:	CABOT OIL & GAS CORPORATION)	
)	
RELIEF SOUGHT:	ESTABLISHMENT OF A)	Docket No. VGOB-96/08/20-0550
	PROVISIONAL DRILLING UNIT)	
	AND POOLING OF INTERESTS)	
)	
LEGAL)	
DESCRIPTION:	112.69 ACRES, COGC #5 WELL UNIT)	
	AMONATE QUADRANGLE)	
	TAZEWELL COUNTY, VIRGINIA)	
	(SEE LOCATION MAP ATTACHED)	
	HERETO AS EXHIBIT A AND)	
	DESCRIPTION HEREIN AND)	
	PLAT ATTACHED TO THE)	
	APPLICATION AS EXHIBIT B))	



NOTICE OF HEARING

HEARING DATE: August 20, 1996
PLACE: Southwest Virginia 4-H Center
25236 Hillman Highway
Abingdon, Virginia 24210
TIME: 9:00 A.M.

COMMONWEALTH OF VIRGINIA: To all persons, known or unknown, owning or claiming an interest in the gas, oil, coal, and minerals and to all other persons, known or unknown, who have or claim to have an interest in the gas, oil, coal, and minerals underlying and within the COGC #5 well unit (the "Unit"), depicted on Exhibit B to the application, a general location of which is shown on the attached Exhibit A to this Notice, in Tazewell County, Virginia (hereinafter "Subject Lands"), and adjacent lands, and in particular to the following persons, their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote:

LeRoy Ray Heirs: (1) Muriel Short; (2) Samuel D. Ray; (3) H.L. Ray Heirs - (a) Stephen Dane Ray; and (b) Virginia R. Sanders; and (4) Worley R. Ray Devisee - Helen M. Ray Heir - Joe Roy Ray; Consolidation Coal Company; and Jewell Smokeless Coal Corporation.

NOTICE IS HEREBY GIVEN that the Applicant is requesting that the Virginia Gas and Oil Board (hereinafter the "Board") issue an order pooling all the rights, interests, and estates of every individual or entity having an interest in the gas underlying the tracts in the Unit, whether known or unknown, as named in application Exhibit C, and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, pursuant to Va. Code Ann. §§ 45.1-361.1, *et seq.* (Michie 1994 & Supp. 1996) in regard to the drilling, development and production of gas from the Unit, containing approximately 112.69 acres. Applicant respectfully requests the Board to issue an order providing as follows:

(A) Establishing the boundaries of the COGC #5 unit (hereinafter the "Unit"), which will be a provisional drilling unit, so as to cover and include the lands set forth in the attached Exhibit B;

(B) Pooling all the interests and estates of every individual or entity having an interest in the gas underlying the tracts in the Unit, whether known or unknown, the persons and entities having an interest in the gas underlying the tracts in the Unit named herein in Exhibit C and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, for the drilling, development and production of gas from the Unit;

(C) Designating Applicant, Cabot Oil & Gas Corporation, as the Unit Operator ("Operator"); providing that the Operator shall have the right to drill, explore, develop, produce, market and sell gas produced from the Unit; granting the Operator the right to drill at any permitted location on the Unit; and granting the Operator the right to operate the COGC #5 well (hereinafter the "Well");

(D) Establishing a procedure whereby each person or entity named herein on Exhibit D having an interest in the gas underlying the Unit shall have the right to elect: (1) to assign or lease his/its gas interest in the Unit to the Operator; (2) to enter into a voluntary agreement with the Operator to share in the operation (including sharing in all reasonable costs of the drilling of the well and development of the Unit) at a rate of payment mutually agreed to by the person or entity making the election hereunder and the Operator herein; or, (3) to share in the operation of the Well as a nonparticipating operator on a carried basis after the proceeds allocable to such person or entity's share equal the following:

In the case of a leased tract, 300 percent of the share of such costs allocable to such person or entity's interest; or,

In the case of an unleased tract, 200 percent of the share of such costs allocable to such person or entity's interest,

all as determined by the Board;

(E) Providing that any person or entity named herein who does not make a timely written election under the terms of the order to be entered herein shall be deemed to have leased his/its gas interests in the Unit to the Operator at a rate to be established by the Board;

(F) Providing that all reasonable costs and expenses of drilling, completing, equipping, operating, plugging and abandoning the Well shall be borne, and all production therefrom shared, by all participating parties in the proportion which the acreage in the tracts owned or under lease to each such participating party bears to the total acreage in the Unit;

(G) Making provision for the payment of all reasonable costs of the operation, including a reasonable supervision fee to the Operator, by all parties who elect to participate therein or who elect to be carried interest owners;

(H) Making any necessary provisions for the escrowing of proceeds in cases of unknown or unlocated owners of the gas underlying the Unit pursuant to Va. Code Ann. § 45.1-361.21D (Michie Supp. 1996);

(I) Providing that the order to be entered herein shall expire one (1) year from the date of its issuance if operations for the development of the Unit have not commenced by said date; but further providing that if operations have commenced during said one year period, then said order shall remain in effect for so long as operations continue on the Unit;

(J) Providing that all nonleasing gas owners be provided with reasonable access to unit records submitted to the Director of Mines, Minerals and Energy or to the Virginia Gas and Oil Inspector; and,

(K) Granting such other relief as is merited by the evidence and is just and equitable, whether or not such relief has been specifically requested herein.

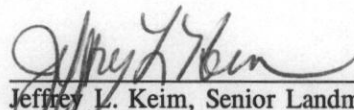
NOTICE IS FURTHER GIVEN THAT this cause has been set for hearing and the taking of evidence before the Board at 9:00 a.m. on August 20, 1996, at the Southwest Virginia 4-H Center; Hillman Highway, in Abingdon, Virginia, and notice was published as required by law and the rules of the Board.

NOTICE IS FURTHER GIVEN THAT you may attend the hearing, with or without an attorney, and offer evidence or state any comments that you have. For further information, contact the Virginia Gas and Oil Board, State Gas and Oil Inspector, Department of Mines, Minerals and Energy, Division of Gas and Oil, P.O. Box 1416, Abingdon, Virginia 24212-1416, (540) 676-5423 or the Applicant at the address shown below.

DATED this 19th day of July, 1996.

CABOT OIL & GAS CORPORATION

By:


Jeffrey L. Keim, Senior Landman
Cabot Oil & Gas Corporation
400 Fairway Drive
Suite 400
Coraopolis, PA 15108-4308

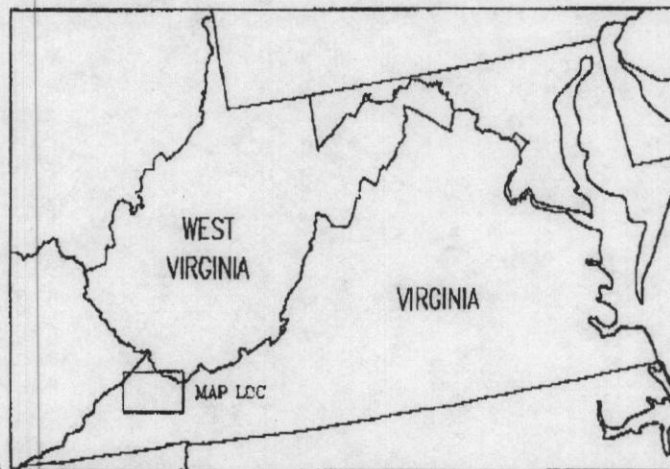
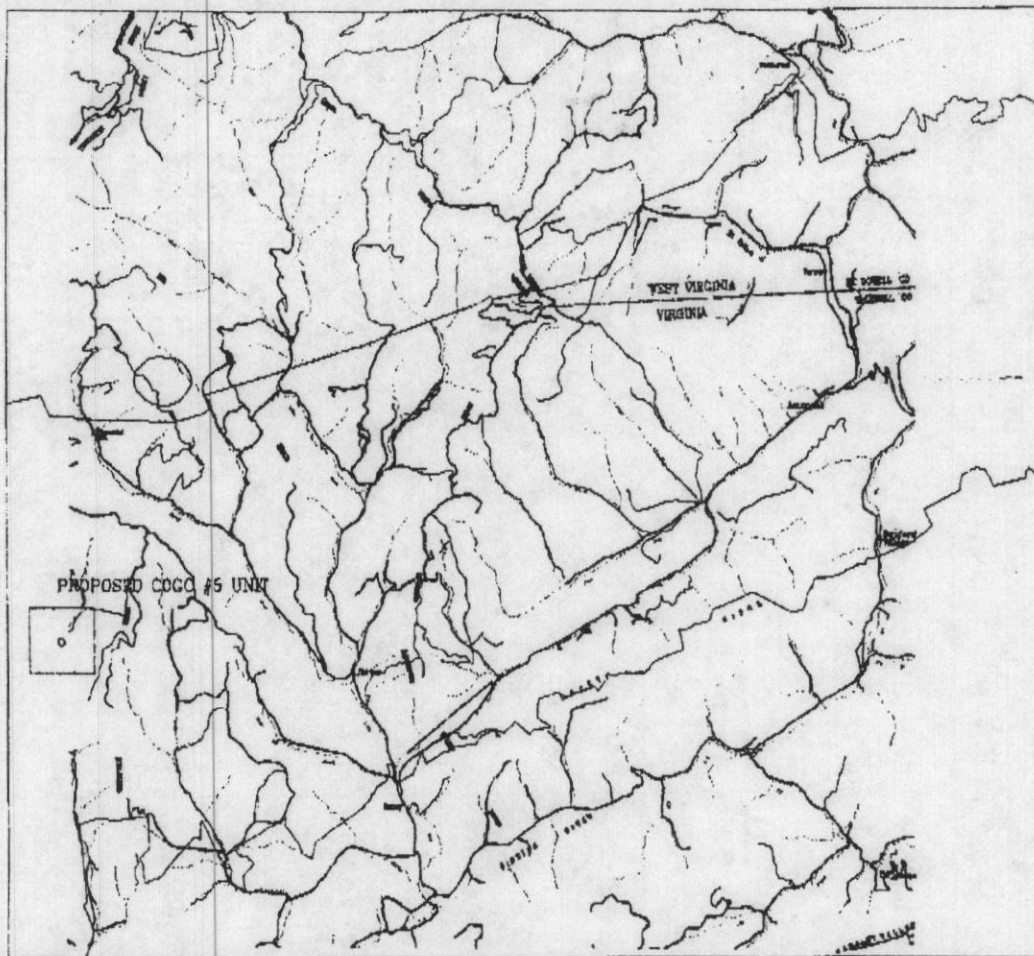


EXHIBIT A

SCALE: 1" = 8000'

VGOB-96/08/20-0550